

BEFORE THE STATE BOARD OF EQUALIZATION
ASSESSMENT APPEALS COMMISSION

Appeal of:

LINKSCORP TENNESSEE SIX, LLC)	
Map 135-00-0, Parcel 395)	
Map 135-16-0-A, Parcel 092.000 CO)	
Map 135-00-0, Parcel 306.00)	Davidson County
Map 135-00-0, Parcel 307.00)	
Map 135-00-0, Parcel 308.00)	
Tax Years 2004, 2005 and 2006)	

FINAL DECISION AND ORDER

Statement of the case

This is an appeal by the taxpayer from the initial decision and order of the administrative judge who recommended that the values set by the local board of equalization be affirmed as follows:

Tax Year 2004:

PARCEL	LAND VALUE	IMPROVEMENT VALUE	TOTAL APPRAISED VALUE	ASSESSED VALUE
MAP 135-00-0, PARCEL 395	\$130,000	\$140,000	\$270,000	\$67,500
MAP 135-16-0-A, PARCEL 092.00 CO	\$37,000	\$0	\$37,000	\$9,250
MAP 135-00-0, PARCEL 306.00	\$331,400	\$300,000	\$631,400	\$160,850
MAP 135-00-0, PARCEL 307.00	\$340,200	\$429,700	\$769,900	\$233,085
MAP 135-00-0, PARCEL 308.00	\$633,600	\$735,000	\$1,368,700	\$357,940
TOTAL	\$1,472,200	\$1,604,700	\$3,077,000	\$828,625

Tax Years 2005 and 2006:

PARCEL	LAND VALUE	IMPROVEMENT VALUE	TOTAL APPRAISED VALUE	ASSESSED VALUE
MAP 135-00-0, PARCEL 395	\$140,400	\$160,000	\$300,400	\$75,100
MAP 135-16-0-A, PARCEL 092.00 CO	\$39,900	\$0	\$39,900	\$9,975
MAP 135-00-0, PARCEL 306.00	\$357,900	\$350,800	\$708,700	\$181,795
MAP 135-00-0, PARCEL 307.00	\$367,400	\$464,600	\$832,000	\$249,960
MAP 135-00-0, PARCEL 308.00	\$684,000	\$827,100	\$1,511,100	\$393,840
TOTAL	\$1,589,600	\$1,802,500	\$3,392,100	\$910,670

The appeal was heard in Nashville on May 23, 2007 before Commission members Stokes (presiding), Ledbetter and Ishie¹. Linkscorp Tennessee Six, LLC was represented by David C.

¹ Mr. Ishie sat as a designated alternate for an absent member, pursuant to Tenn. Code Ann. §4-5-302.

Scruggs, Esq. and Suzanne S. Allen, Tennessee Registered Agent. The assessor was represented by Mr. Kenny Vinson, a staff appraiser.

Preliminary matters

The taxpayer filed a Motion to Amend to include tax year 2005 and Judge Stokes granted the motion consistent with previous rulings of the Commission, including Ernest W. Colbert (2006). By agreement of the parties, the appeals for the separate years at issue were consolidated for hearing before the Commission.

Findings of fact and conclusions of law

The subject property is the Nashboro Golf Course located in Nashville, comprising 144.8 acres of land and various improvements. The taxpayer offered the testimony of Mr. Laurence Hirsh, who was stipulated by the parties to be an expert in the area of golf course appraisal. Mr. Hirsh presented an appraisal that included the three traditional approaches to value but he relied primarily on the income approach. Mr. Vinson testified the assessor's mass appraisal was based on the cost approach but his testimony was primarily directed to disputing various aspects of Mr. Hirsch's income approach.² The Commission finds and concludes that the income approach is most relevant to determining the value of the subject golf course.

The subject is currently profitably operated as a "Daily Fee Facility." Using historical statements of income and expense as well as data derived from his survey of competitive golf facilities, Mr. Hirsh developed a stabilized income and expense statement for this property to support his opinion of overall value. He deducted a value for personal property equal to the values certified by the Davidson County Assessor for personal property in each year. He concluded that the remaining value was the value of the real property. For tax year 2004, his rounded concluded value for the real property was \$1,300,000; for tax year 2005, his rounded concluded value was \$1,200,000. The Assessor submitted a revised value of \$2,708,260 for all years using the income approach, contending Mr. Hirsch underestimated income and overestimated expenses.

The Commission considered the income approaches prepared by Mr. Hirsh and by the Assessor and concluded that Mr. Hirsh's approach was better supported by historical and industry data. Accordingly, the Commission finds that the most persuasive evidence of value is the income approach offered by Mr. Hirsh with certain modifications. The Commission finds that the stabilized expenses should be adjusted to focus on the historic data available as of the assessment date, January 1, 2004, rather than including data for later periods. These adjustments project a management fee of 3% rather than 4% and replacement reserves of

² Mr. Vinson insisted the cost approach was useful in allocating values for different components of the golf course in view of the different applicable assessment classifications.

\$25,000. The result is net operating income of \$250,000, rounded. Using the taxpayer's loaded cap rate of 11.54% (with corrected tax rate), the Commission finds the equalized fair market value of the real and tangible personal property to be \$2,200,000. The parties have stipulated to a value for the personal property of \$500,000 for all three years, leaving value for the real property at \$1,700,000. The stipulated blended assessment ratio for the various parcels was 26.63%, making the revised total assessment \$452,710.

ORDER

It is therefore ORDERED, that the initial decision and order of the administrative judge is modified and the equalized assessment of the subject property is determined as follows for tax years 2004, 2005 and 2006:

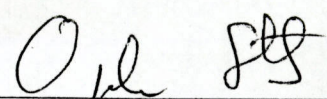
PARCEL	LAND VALUE	IMPROVEMENT VALUE	TOTAL APPRAISED VALUE	ASSESSED VALUE
MAP 135-00-0, PARCEL 395	\$71,800	\$77,400	\$149,200	\$39,730
MAP 135-16-0-A, PARCEL 092.00 CO	\$20,400	\$0	\$20,400	\$5,430
MAP 135-00-0, PARCEL 306.00	\$183,100	\$165,700	\$348,800	\$92,890
MAP 135-00-0, PARCEL 307.00	\$188,000	\$237,400	\$425,400	\$113,280
MAP 135-00-0, PARCEL 308.00	\$350,100	\$406,100	\$756,200	\$201,380
TOTAL	\$813,400	\$886,600	\$1,700,000	\$452,710

This order is subject to:

1. Reconsideration by the Commission, in the Commission's discretion. Reconsideration must be requested in writing, stating specific grounds for relief and the request must be filed with the Executive Secretary of the State Board within fifteen (15) days from the date of this order.
2. Review by the State Board of Equalization, in the Board's discretion. This review must be requested in writing, state specific grounds for relief, and be filed with the Executive Secretary of the State Board within thirty (30) days from the date of this order.
3. Review by the Chancery Court of Davidson County. A petition must be filed within sixty (60) days from the date of the official assessment certificate which will be issued when this matter has become final.

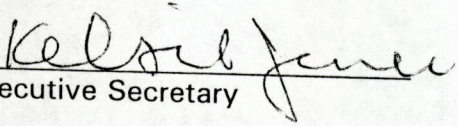
Requests for stay of effectiveness will not be accepted.

DATED: June 28, 2007



Presiding Member

ATTEST:


Executive Secretary

cc: Mr. David C. Scruggs, Esq.
Ms. Jo Ann North, Assessor
Mr. Kenny Vinson